



General Assembly

Distr.
GENERALA/46/893
13 March 1992

ORIGINAL: ENGLISH

Forty-sixth session
Agenda item 149

FINANCING OF THE UNITED NATIONS PROTECTION FORCE

Report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Protection Force (UNPROFOR) (A/46/236/Add.1). During its consideration of this item, representatives of the Secretary-General provided additional information to the Advisory Committee.
2. The Security Council, by its resolution 727 (1992), approved the report of the Secretary-General of 5 January 1992 (S/23363 and Add.1) and endorsed the immediate deployment of 50 military liaison officers to Yugoslavia to promote maintenance of the cease-fire. By resolution 740 (1992), the Security Council reaffirmed its approval set out in resolution 724 (1991) of the United Nations peace-keeping plan contained in the report of the Secretary-General of 11 December 1991 (S/23280) and approved his proposal to increase the authorized strength of the military liaison mission to a total of 75 officers. The Advisory Committee, by a letter to the Secretary-General dated 14 February 1992, concurred in his request to enter into commitments of up to \$10 million to meet the cost of the military liaison officers for the first two months and maintenance of the group should the Security Council decide to continue the mission.
3. The Security Council, by its resolution 743 (1992) of 21 February 1992, decided to establish, under its authority, a United Nations Protection Force for an initial period of 12 months unless the Council subsequently decided otherwise. At the same time, the Security Council requested the Secretary-General "immediately to deploy those elements of the Force which can assist in developing an implementation plan for the earliest possible full deployment of the Force for approval by the Council and a budget which together will maximize the contribution of the Yugoslav parties to offsetting its costs and in all other ways secure the most efficient and cost-effective operation possible".

4. The cost estimate for UNPROFOR, including the pre-implementation period from 12 January 1992 covering the military liaison officers and the advance party, is given in section III of the Secretary-General's report. Annex I to the report provides the total cost estimates for UNPROFOR and annex II shows a breakdown of the separate cost estimates for the military liaison officers, the advance party and the 12 months of the operation; supplementary information thereon is given in annexes III to V. The proposed civilian staffing table and the civilian and related staff costs are contained in annexes VI and VII; the proposed vehicle establishment and a summary of communications requirements are provided in annexes VIII and IX. The operational plan of UNPROFOR is set out in paragraph 12 of the report of the Secretary-General based on the general assumptions referred to in paragraph 13 of the report.

5. The Secretary-General states in section IV of his report that by the date of his report no voluntary contributions have been received for UNPROFOR; contributions offered by the host Government are indicated in annex V to the report.

6. The Secretary-General recommends in section V of his report the establishment of a special account for UNPROFOR under financial regulation 6.6; the financial accounts will be kept in accordance with the approved mandate period. The Secretary-General further notes in section VI his intention "to present to the Security Council at the earliest practical date the report called for in its resolution 743 (1992)" and a revised cost estimate to the General Assembly on the basis of the report and the action taken by the Security Council (see para. 3 above). Pending the submission of the above report pursuant to Security Council resolution 743 (1992), paragraph 4, the Secretary-General in section VII of his report requests the General Assembly to take note of the budget estimates for UNPROFOR and to appropriate and apportion one half of the budget estimates of \$620,676,000 gross (\$616,280,000 net) covering the total costs related to UNPROFOR, including the \$10 million authorized by the Advisory Committee (see para. 2 above).

7. The Advisory Committee undertook a careful and detailed examination of the cost estimates, including the supplementary information thereon as set out in the annexes to the Secretary-General's report. The Committee was informed that the estimates were based on full costs and that there were a number of uncertainties. For example, the Committee was informed that the deployment of the advance party of 363 military contingent personnel, 15 military observers, 19 civilian police monitors and 34 international civilian staff scheduled for 45 days prior to the deployment of the full Force from 1 March to 14 April 1992 (para. 9 and annex IV, para. 2, of the report) had been delayed for about one week, resulting in savings.

8. The Committee notes from annex V, paragraphs 2 to 4, that a two-week or 4 per cent reduction in contingent-related costs and civilian police monitors and a 5 per cent reduction in civilian personnel have been used in costing the estimates on the assumption that 15 April 1992 would be the target date for

the full deployment of the Force. However, the Committee was informed by the representatives of the Secretary-General that the phasing-in of the infantry battalions was now scheduled to begin by 5 April 1992 at a rate of four battalions per week and that 26 April 1992 was the new target date for full deployment of the Force. The Committee believes that, as in other operations, further delays could arise in the full deployment of military contingents, civilian police monitors and international civilian staff who are coming from outside Europe, resulting in additional savings.

9. The Committee notes that, according to the concept for UNPROFOR concerning the demilitarization of the protected areas, as discussed with the parties in November/December 1991 (S/23280, annex III, para. 16), each unit, before it withdraws or disbands, is to remove any mines that it has laid while deployed in the United Nations protected areas. Bearing in mind this responsibility, the Committee recommends that the need for mine-clearing engineers for the entire period of six months now planned be re-evaluated (annex V, para. 7).

10. The Advisory Committee notes that mission subsistence allowance (MSA) is provided for 75 military liaison officers, 100 military observers, 528 civilian police monitors, 363 military contingent personnel (during the advance party - 1 March to 14 April 1992) and 270 international staff for a total of \$52.8 million. The above provisions are based on a rate of \$205 per day for both military and international civilian staff for the period from 12 to 31 January 1992 and, effective 1 February 1992, \$181 for the first 30 days and \$150 per day thereafter. The Committee was informed that a new survey was to be undertaken and that this might result in a further lowering of the rates.

11. In this connection, the Committee notes that, according to the latest schedule of daily subsistence allowance rates issued by the International Civil Service Commission and effective 1 March 1992 (ICSC/CIRC/DSA/202), the daily subsistence allowance for Yugoslavia ranges from \$73 to \$238 for the first 60 days and thereafter from \$55 to \$179. The Committee was not convinced that the proposed MSA rates for eligible staff of UNPROFOR needed to be substantially higher than the average per diem applicable to all other eligible staff in the country, taking into account that the locations were not hardship stations. Furthermore, the continued high depreciation of the local currency (dinar) had resulted in a further reduction of the costs of living in United States dollars. The Committee therefore is of the opinion that the MSA rates for eligible staff of UNPROFOR, who are paid in United States dollars, could be reduced significantly, thus resulting in substantial savings. The Committee was informed that the above rates would be further reduced where eligible staff were provided with meals and/or accommodation. The Committee further notes that group rental arrangements by the United Nations for accommodation of a large number of staff rather than on an individual basis would contribute to a further reduction in rental costs and MSA rates.

12. With regard to rotation/travel to and from the mission area at a total of \$23.8 million, the Committee notes that during its consideration no detailed information was made available. The Committee observes that under military liaison mission travel of the 75 military liaison officers on loan from peace-keeping operations has been calculated at \$2,300 one way per officer and international civilian staff at \$3,500 one way (annex III, paras. 3 and 13), while for the advance party and the full Force travel of military observers and civilian police monitors is calculated at \$1,700 and for civilian personnel at \$2,700 one way (annex IV, paras. 7, 11 and 15, and annex V, paras. 6-9). The Committee notes that the travel costs for the different categories of staff vary substantially and there is a large discrepancy in the rates applied for international civilian staff. While travel of the various groups is from different regions and includes an entitlement of 100 kg excess baggage per person, the Committee is of the view that the above rates are high and economies can be made; for example, group travel arrangements and unaccompanied rather than accompanied shipments of excess baggage could lead to further savings.

13. The Committee further believes that travel of all military contingents to and from the mission area by air charter (\$19 million) may not always be required, except in the case of early emplacement, and travel by surface transport for rotation and repatriation of troops to nearby countries should be considered, where practical and more economical. The Committee is of the view that the usual rotation of international civilian personnel may not apply to this mission, taking into account the duration and location of the operation. In this connection, the Committee recommends that the Secretary-General review all entitlements, allowances and duration of duty of military and civilian personnel serving in peace-keeping operations and report on the results of the review in the context of his report on the administrative and budgetary aspects of the financing of United Nations peace-keeping operations to be submitted to the General Assembly at its forty-seventh session in accordance with resolution 45/258 of 3 May 1991, with a view to containing the large costs of new operations.

14. The Committee was informed that the Yugoslav authorities had agreed to provide free transport by bus for some 5,000 troops from Belgrade airport to their areas of deployment, resulting in some savings. The Committee recommends that the Secretary-General pursue his efforts to obtain similar assistance from the parties for free inland-transportation of troops and other personnel of UNPROFOR to their respective areas of deployment.

15. As regards other costs pertaining to contingents, including reimbursement for the value of contingent-owned equipment (\$34.2 million), supplementary information, including a breakdown, was requested but not received. The Committee recalls that the schedule of reimbursement for contingent-owned equipment was established in March 1978 and needs to be reviewed; the Committee therefore recommends that the matter be addressed in the Secretary-General's report referred to in paragraph 13 above.

16. With regard to civilian personnel costs (\$39.3 million), the Committee had difficulty in assessing the need for the proposed posts in the absence of detailed information on functions of the posts and the organizational structure of the operation. The Committee is of the view that the proposed civilian staff establishment (annex VI) with a total of 542 staff, including 270 international staff, is large, considering that the main functions of the Force are being carried out by the military contingents, military observers and civilian police according to the operational plan. The Committee further notes that the proposed structure is top-heavy, with 2 D-2s, 7 D-1s and 17 P-5s, or approximately half of the Professional staff at the senior level; moreover, based on the very general information it received, the administrative structure appears unnecessarily cumbersome. For example, the Committee is not fully convinced that two D-2 posts are necessary, nor does the Committee believe that all of the D-1 posts are necessary, especially for sectoral offices, civil affairs and technical support services. The Committee therefore recommends that the structure of the proposed civilian staff establishment be streamlined considerably, in particular at the senior level in both the civil affairs division and the division of administration, with a view to avoiding duplication of work, reducing levels and numbers of posts, and making the administration and operation of UNPROFOR more cost-effective. In this connection, the Committee points out that the personal grade of an incumbent should not determine the level of a particular post. The Secretary-General should report on the results of this review (including detailed justification for the new administrative structure) in the context of the report the Committee is requesting in paragraph 30 below.

17. In this connection, the Committee recalls its recommendation in its last report on the administrative and budgetary aspects of the financing of peace-keeping operations (A/45/801, para. 33) that, in the case of operations with a large civilian component, it would be useful for the Secretary-General to request Member States to provide additional qualified civilian personnel to carry out non-core functions in view of the overall programmatic and budgetary considerations, thus reducing the costs of large operations and containing the use of the limited resources of the Secretariat. The Committee urges the Secretary-General to implement this recommendation for both technical and non-technical personnel in the case of particularly large operations like UNPROFOR and the United Nations Transitional Authority in Cambodia.

18. With regard to the rental and maintenance of premises, the Committee notes that a provision of total \$122.1 million has been proposed, consisting of construction of prefabricated buildings (\$96.5 million), renovation and maintenance of premises provided to UNPROFOR (\$21 million), acquisition of building maintenance supplies in respect of the renovation work and camp installations (\$2.4 million), rental of premises at a monthly rate of \$100,000 (\$1.3 million) and utilities at a cost of \$75,000 per month (\$0.9 million). The Secretary-General states in annex V, paragraphs 11 to 13, that it is expected that the United Nations will have to provide accommodation for up to 7,400 military personnel and that UNPROFOR will not be provided with any accommodation of the Yugoslav National Army at Banja Luka. Furthermore, little or no free accommodation is expected to be made available for

approximately 2,400 troops at checkpoints within the protected areas. The Advisory Committee was informed that the United Nations may be required to spend up to \$22 million for renovation of premises offered by the parties to accommodate the remaining troops. The requirements for office accommodation at Banja Luka and the protected areas are estimated at 2,100 square metres and for warehouses and other storage facilities at 12,200 square metres.

19. The Committee is of the view that the provision of \$122 million for rental and maintenance of premises, including \$96.5 million for prefabricated buildings, or 20 per cent of the estimated budget for UNPROFOR, is unjustifiably high. In this connection, the Committee recalls that the model status-of-forces agreement (A/45/594, para. 16) provides that:

"The Government of [host country] shall provide without cost to the United Nations peace-keeping operation and in agreement with the Special Representative/Commander such areas for headquarters, camps or other premises as may be necessary for the conduct of the operational and administrative activities of the United Nations peace-keeping operation and for the accommodation of the members of the United Nations peace-keeping operation ...

"The Government undertakes to assist the United Nations peace-keeping operation as far as possible in obtaining and making available, where applicable, water, electricity and other facilities free of charge, or, where this is not possible, at the most favourable rate."

The Committee further recalls that the concept for UNPROFOR, as discussed with the parties in November/December 1991 and set out in the report of the Secretary-General to the Security Council pursuant to Council resolution 721 (1991) (S/23280, annex III, para. 6), provides under general principles that:

"The various Yugoslav authorities would be expected to make available to the United Nations, free of charge, as much as possible of the accommodation and other facilities and supplies, such as food and fuel, that would be required by the operation".

The Committee recalls also the provisions on privileges and immunities of the model status-of-forces agreement.

20. The Committee was informed that, pursuant to Security Council resolution 743 (1992), paragraph 4, the parties had been requested to provide to the extent possible premises for the accommodation of personnel, including barracks for troops in the protected areas, means of transportation such as vehicles, air transport within the operational area and fuel, as well as food and supplies. The Committee understands that the parties have agreed to make every effort to provide barracks and other housing free of cost. Moreover, where such facilities are not available, the commercial costs of prefabricated units might be reduced through local purchase. Furthermore, the Committee understands that not all checkpoints have as yet been identified and that prefabricated buildings may not be required at these checkpoints.

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21. The Committee trusts that the Secretary-General will pursue his negotiations with the parties and make every effort with a view to obtaining premises for offices and accommodation of staff free of cost and more preferential conditions for the construction and rental of premises and accommodation pursuant to their obligations and the agreements reached.

22. The Committee further notes that it is not known if the provision of \$21 million for the renovation of premises offered by the host country will be required at full cost or may be subsidized by the local authorities (annex V, para. 35). The Committee trusts that any necessary rehabilitation and maintenance of buildings will take into account the need for maximum economy and the possibility of "self-help" by the troops.

23. With regard to air operations, the Committee is of the view that the proposed provision of \$70.3 million at full cost, including for 30 aircraft, is high compared to other operations. The Committee was informed that the requirements for the air component would be kept under constant review. The Committee requests in particular that the need for two light helicopters and two fixed-wing passenger aircraft permanently based at UNPROFOR headquarters be reviewed, taking into account the effectiveness of the operation of the Force. The Committee notes that the estimates for aviation fuel are at a rate higher than for other operations. The Committee trusts that the Secretary-General will pursue his efforts with the parties to obtain additional assistance to contain the costs of air operations. The Committee understands that there may be voluntary contributions by Member States and that the contracts with commercial carriers may be terminated with one month's notice in case of such offers.

24. With regard to transport operations (\$26.8 million), the Committee had difficulty in assessing the requirements of the proposed vehicle establishment (annex VIII) since detailed information about the allocation of vehicles to staff and distribution in the various locations was not made available to the Committee in time. While the vehicles will be assigned to the police monitors and military observers as well as civilian staff, the Committee notes that most of the civilian staff are assigned to UNPROFOR headquarters and the majority of staff in the division of administration are not required to travel. The Committee believes that some economies can be made, including group travel arrangements for civilian staff stationed at Sarajevo.

25. The Committee was informed that the parties had agreed to provide 100 vehicles free of cost for two months to facilitate the work of the advance party, resulting in savings of \$750,000 under rental of vehicles (annex V, para. 50), and would consider making some vehicles available free of charge for the entire 12-month period of UNPROFOR. The Committee requests that the Secretary-General pursue with the parties the possibility of retaining these vehicles for the entire operation, bearing in mind their cost-effective use. The Committee was further informed that about 100 vehicles could be purchased locally from a manufacturer in Sarajevo who has offered a 15 per cent discount and delivery within six to eight weeks, which would result in additional savings. In this connection, the Committee notes that the proposed average

rental cost of \$125 per vehicle per day, average cost of \$21.20 for petrol, oil and lubricants per vehicle per day for the total fleet and average monthly cost of \$300 for repair and maintenance per vehicle are high. The Committee recommends that the Secretary-General pursue his efforts with the parties to obtain preferential rates. The Committee further notes that the provision for repair and maintenance of vehicles (\$5.2 million) is high and the proposed initial large stock of spare parts for the entire vehicle fleet may not be fully required upon emplacement of the Force, taking into account the purchase of 360 new vehicles.

26. With regard to communications (\$5.4 million) and miscellaneous equipment (\$5.2 million), the Committee is of the view that the proposed procurement of such equipment is larger and the standard more sophisticated than necessary for the effective operation of the Force. For example, provision is made for 74 copiers (\$280,000) and electronic data-processing equipment (\$960,000), including 185 desktop computers, 25 notebook computers and 245 printers. The Committee believes that the number and rates could be reduced. The Committee requests the Secretary-General to provide detailed information on the allocation of computers in the performance report requested in paragraph 30 below.

27. As regards supplies and services (\$11.9 million), the Committee believes that contractual services (\$5.4 million) could be reduced, taking into account the large number of 272 locally recruited staff, and that the local authorities could be requested to provide some assistance or services at preferential rates or to subsidize some of the proposed commercial arrangements. With regard to freight and cartage (\$30 million), the Committee was informed that the local authorities had agreed to provide 10 charter trains free of charge from the port of Bar to the UNPROFOR logistics base at Banja Luka, which would result in some savings. The Committee trusts that the Secretary-General will pursue his efforts with a view to obtaining further assistance from the local authorities to contain the high costs for freight and cartage.

28. The Committee further notes that provision of \$3.2 million for funding of posts from the support account for peace-keeping operations on the basis of 8.5 per cent of the total cost of salaries, common staff costs and travel of the civilian staff in the mission area may not be fully required, considering the large civilian establishment of UNPROFOR. The Committee intends to review this ratio in the context of its examination of the first performance report on UNPROFOR (see para. 30 below).

29. The Committee points out, as it has done with regard to other operations, that the Secretary-General's reports on the financing of peace-keeping operations should be more transparent, containing detailed organigrams of the organizational structure of the operation with the main functions of the personnel, specification of all units and identification of their location on a map of the mission area, breakdown of premises per unit, allocation of vehicles in the various units and areas, narratives and charts on the functioning of communications systems, distribution of communications, office

and other equipment, calculation of travel costs and a list of contingent-owned equipment. The Committee believes that such information is essential for a careful and detailed assessment of the proposed cost estimates of peace-keeping operations and trusts that it will be provided to the Committee on time when it examines the Secretary-General's performance report on the financing of UNPROFOR (see para. 30 below).

30. In view of the Committee's observations and recommendations in paragraphs 7 to 29 above, the large number of areas where savings can be made, including through the implementation of paragraph 4 of Security Council resolution 743 (1992), and in particular in the area of premises, transportation and services, possible voluntary contributions by Member States and other countries, possible additional assistance and services by the parties, and bearing in mind the uncertainties with regard to the schedule for the full emplacement of UNPROFOR and the implementation of the operational plan, the Advisory Committee recommends that the General Assembly, at this stage, appropriate and assess \$250 million net, inclusive of the \$10 million authorized by the Advisory Committee under resolution 46/187 of 20 December 1991 on unforeseen and extraordinary expenses (para. 2 above) for UNPROFOR. The Advisory Committee believes that the above amount should be adequate until the Secretary-General submits such additional requirements as may be necessary for the period beyond October 1992. That report should be submitted by the Secretary-General by the start of the forty-seventh session of the General Assembly and should include detailed information on the performance of UNPROFOR to that date.

31. With regard to paragraph 4 of Security Council resolution 743 (1992), the Committee notes the statement in paragraph 4 of the Secretary-General's report that:

"By resolution 743 (1992) of 21 February 1992, the Security Council decided to establish UNPROFOR for an initial period of 12 months. In this regard an advance party was to be sent to develop an implementation plan and a revised budget which together will maximize the contribution of the Yugoslav parties to offsetting its costs and in all other ways secure the most efficient and cost-effective operation possible."

The administrative and financial implications of such actions as the Council may take in this regard can either be reflected in the report referred to in paragraph 31 above or, if necessary, be brought to the attention of the Advisory Committee and the General Assembly prior to the deployment of the full Force.

32. As it has in the past, the Committee points out the necessity for Member States to pay their assessed contributions in full and on time. In this connection, the Committee was informed that on the average 36 per cent of appropriations were actually collected within three months after the assessments for peace-keeping operations were issued; the Committee points out that such payment does not allow the necessary reimbursement to troop-contributors.
